

making total assets of 57,821,700 livres and affording a favorable balance of 13,097,700 livres.¹

The loan to the government was soon repaid, specie payments were resumed under a decree of November 23, 1783* and the bank was authorized to increase its capital to 15,000,000 livres, and for four years it continued to operate free from government interference and with advantage to the business community. Its growing prosperity attracted the attention of Calonne, then Controller General, and he determined to turn it to account for the benefit of the State by requiring the deposit of a guarantee fund with the Treasury. The capital was raised from 15,000,000 to 100,000,000 livres and the net receipts in cash, amounting to 80,000,000 livres, were deposited to the amount of 70,000,000 with the Treasury and 10,000,000 were carried to the reserve. A new run set in in August, 1787, but the directors refused to accept a decree for the suspension of specie payments, which Loménie de Brienne, Chief of the Royal Council of Finance, was preparing, demanded help from the guarantee fund in the possession of the government, and promptly met every obligation.

But the government was sinking into the sloughs of bankruptcy and determined to drag the bank with it, so that there should be no stronger credit than its own to put it to shame. August 18, 1788, appeared a decree authorizing the bank to redeem its bills in part in commercial paper. The decree was unsought and its existence was unknown until it was affixed to the doors of the bank, and the permission to suspend was not embraced by the directors. But Necker, who became Finance Minister on May 25, 1789, continued to insist upon secret loans to the Treasury, and the government and the bank soon became so involved with each other that Necker proposed to transform it into a national bank. The Constituent Assembly had already assumed the power to regulate the bank, as it regulated all the established institutions of France, and ordered it to pay into the Treasury 80,000,000 livres of its bills against a deposit of interest-bearing *assignats*. The bank lost its credit with the business commu-

¹ Noel, I., 90.